

## PACE NEWS

# PACE ELECTRONICS IS EXPANDING

PACE ELECTRONICS IS PROUD TO ANNOUNCE A MAJOR MILESTONE: WE HAVE EXPANDED OPERATIONS BEYOND CHINA TO MALAYSIA, STRENGTHENING OUR GLOBAL FOOTPRINT AND POSITIONING OURSELVES FOR LONG-TERM GROWTH.

## ADVANTAGES OF THIS DECISION

### Why Malaysia?

Malaysia offers world-class infrastructure and a skilled workforce with decades of experience in electronics manufacturing, working alongside industry leaders such as Panasonic and Intel.

The **geographic location** is very **important!** The factory is in the middle of Malaysia and **ASEAN** (Association of Southeast Asian Nations).



## WHERE ARE WE?

Strategically located in **Klang, Selangor**, our new facility sits at the heart of Malaysia and ASEAN. This location places us just:

- 1 hour from Kuala Lumpur city center and KL International Airport
- 20 minutes from Port Klang, Malaysia's largest container port
- Within 1 hour of key suppliers for electronic components, plastic resin, and packaging materials.

This proximity ensures faster lead times, smoother logistics, and stronger supplier relationships.



## OUR CURRENT FACILITY PLAN

**Our new ISO 9001-certified factory is designed for innovation and scalability, featuring:**

- Assembly line with wave soldering & vertical injection molding machines
- Manual insertion line
- On-going reliability & in-circuit testing capabilities
- 2nd floor steel-structure expansion for warehouse & production, scheduled for completion in October 2025, bringing the total space to 1,676 sqm
- The 4,663 sq. ft. SMT expansion will feature two new SMT machines, set to be operational in November 2025.



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## LEADERSHIP

**Charlene Yang** will continue as President at the new facility. Under her leadership will be a full team, including help from **Vice President, Manson Chan & Regional Manager, Mars Lin.**

There are currently 95 line-operators, 12 warehouse-operators, and 15 office workers in Purchasing, Logistics, QA/ QC, and HR Administration.



## LOOKING AHEAD

This expansion strengthens our ability to deliver **reliable, high-quality products** with greater efficiency for our global partners.

By moving closer to suppliers and key logistics hubs, we're setting the stage for continued **innovation and growth.**

**PACE Electronics — Powering the Future, Closer to You.**



## FROM THE CEO THE VISION BEHIND OUR MOVE TO MALAYSIA

### Reduced Tariffs and Trade Barriers

- **US-China Trade War:** The ongoing tariffs and trade tensions between the US and China have increased the cost of manufacturing in China, especially for companies exporting to the US. Shifting to Malaysia can help reduce these tariffs, allowing for more competitively priced products. The decision had to be made in order to give our customers some stability in this trade war.
- **Favorable Trade Agreements:** Malaysia is part of various trade agreements, such as the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)** and **ASEAN Free Trade Area (AFTA)**, which can give manufacturers access to lower tariff rates for exports to multiple regions.

### Cost Efficiency

- **Labor Costs:** Malaysia typically offers comparable labor costs to China, especially when considering skilled workers in electronics manufacturing.
- **Operational Costs:** Manufacturing costs in Malaysia, including utilities and facility rentals, are higher than in China; however, those increased costs are offset by the current tariff out of China. China has also become increasingly expensive in certain industrial zones.

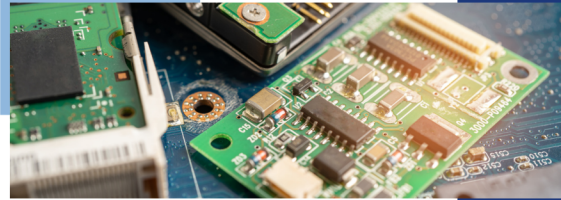
### 01. SKILLED WORKFORCE

- Malaysia has a growing talent pool in engineering, manufacturing, and technical fields. The workforce in Malaysia is well-educated and capable of handling high-tech electronics manufacturing, ensuring that the production quality meets international standards.

### 02. GOVERNMENT INCENTIVES

- Malaysia offers attractive incentives for foreign investments in manufacturing, especially in high-tech industries. Programs such as tax exemptions, investment allowances, and the Pioneer Status for certain sectors can make Malaysia an even more cost-effective location for electronic contract manufacturing.





## FROM THE CEO CONTINUED

### Diversification of Supply Chain

- **Reducing Dependency on China:** Companies may want to reduce their over-reliance on China due to geopolitical risks or trade disputes. Shifting production to Malaysia adds flexibility to the supply chain and makes it more resilient to future disruptions.
- **Sourcing Flexibility:** Malaysia's proximity to other Southeast Asian nations provides better access to raw materials, labor, and suppliers. Companies can tap into a wider regional network to optimize their supply chain.

### Sustainability and Innovation Focus

- Malaysia is increasingly focusing on green technology and sustainable manufacturing practices, which can be important for companies looking to align with sustainability goals. Moving operations to a country with a growing focus on these aspects can provide long-term benefits to our existing customer base as well as potential new customers. Pace will maintain our manufacturing capabilities in China with a dedicated factory but at a smaller production scale.



**The Future of  
Electronics  
Manufacturing  
in ASEAN**

### 03. INFRASTRUCTURE AND CONNECTIVITY

- **Advanced Infrastructure:** Malaysia has modern industrial parks, logistics, and transportation systems, ensuring efficient movement of goods. Ports like Port Klang, and the connectivity to other Southeast Asian markets, make Malaysia an ideal logistics hub.
- **Proximity to China:** While you're moving away from China in some aspects, Malaysia is still geographically close, which allows you to maintain ties with Chinese suppliers or partner companies without the extensive tariffs or political concerns.

### THE SUCCESS SPECTRUM

Malaysia provides easy access to ASEAN and South Asian markets, offering an opportunity to serve a broader regional customer base. The country is also strategically located for exporting to global markets like Europe and the Middle East.

## EXPANDING YOUR SUPPLY CHAIN BEYOND CHINA WITH PACE ELECTRONICS

### EXPANDING GLOBAL SOURCING BEYOND CHINA

At Pace Electronics, we understand that supply chain security and flexibility are more important than ever. That's why we've made it a priority to secure reliable, non-China sourcing and manufacturing solutions for our customers.



### WHY THIS MATTERS FOR YOU

By working with Pace Electronics, you gain access to:

- ✓ Diversified sourcing to reduce regional dependency
- ✓ Competitive pricing without sacrificing quality
- ✓ Trusted partners with proven global track records
- ✓ Resilient supply chains that withstand disruption

### WHERE WE'RE MAKING AN IMPACT



#### MALAYSIA

- Contract Manufacturing
- Power Solutions (Transformers/Inductors)
- 19% Tariff



#### VIETNAM

- Solar Energy Solutions
- Rechargeable Battery Manufacturing (LiFePO4, Li-ion, Li-Po, BMS Systems)
- Electronic Components (Electrolytic Capacitors)
- Metals, Plastics, and Rubber Fabrication
- 20% Tariff



#### CAMBODIA

- Switching Power Supplies
- 19% Tariff



#### LAOS

- Solar Energy Solutions
- 40% Tariff



#### INDONESIA

- SMD Inductors
- Solar Energy Solutions
- 19% Tariff



#### THAILAND

- Transformers/Inductors
- 19% Tariff

**New Tariff Requirements for 2025**

Send questions to:  
[tradequestions@cbp.dhs.gov](mailto:tradequestions@cbp.dhs.gov)  
Updated 8/20/2025  
USP # 150-100-111-0002

Through Executive Orders and Proclamations, the President has imposed new tariffs on goods imported into the United States pursuant to the International Emergency Economic Powers Act (IEEPA) and Section 232 of the Trade Expansion Act of 1962. **This is a high-level overview. Many exemptions and other detailed provisions may apply that are not summarized below.** For complete information, visit the CBP.gov website using the QR code below.

<b>Autos, Auto Parts</b> <b>As of May 3: 25%</b> Section 232: 25% on passenger vehicles and light trucks and auto parts of all countries, except UK and USMCA. See below for unstacking.	<b>Copper</b> <b>As of August 1: 50%</b> Section 232: 50% on imports of semi-finished copper products and intensive copper derivative products of all countries. See below for unstacking.	<b>Steel</b> <b>As of June 4: 50%</b> Section 232: 50% on imports of steel (including derivatives) of all countries, except UK (25%). See below for unstacking.	<b>Aluminum</b> <b>As of June 4: 50%</b> Section 232: 50% on imports of aluminum (including derivatives) of all countries, except Russia (200%) and UK (25%). See below for unstacking.
<b>Brazil</b> <b>As of August 6: 40%</b> IEEPA: 40% on all nonexempted goods. Stacks with Reciprocal rate.	<b>Russian Oil (India)</b> <b>As of August 27: 25%</b> IEEPA: 25% on all nonexempted goods of India. Stacks with Reciprocal rate.	<b>Canada</b> <b>As of August 1: 35%, 10% Energy &amp; Potash</b> IEEPA: 35% on all goods except 10% on energy and potash; exemptions for USMCA-originating goods. See below for unstacking.	<b>Mexico</b> <b>As of March 7: 25%, 10% Potash</b> IEEPA: 25% on all goods except 10% on potash and exemptions for USMCA-originating goods. See below for unstacking.
<b>China/Hong Kong</b> <b>As of March 4: 20%</b> IEEPA: 20% tariff on all goods. Additional IEEPA reciprocal rate of 10%.	<b>Reciprocal</b> <b>As of August 7: 10% to 41%</b> IEEPA: 10% minimum for all countries, then specific rates for all nonexempted goods; 10% to 41% for 95 countries.	<b>Unstacking Certain Tariffs</b> 1. Products subject to Auto/Auto Parts 232 are not subject to Copper/Aluminum/Steel 232, Reciprocal, Brazil/Russian Oil/Canada/Mexico IEEPA. 2a. Content subject to Section 232 Aluminum/Steel is not subject to Reciprocal, Brazil, Russian Oil, or Canada/Mexico IEEPA. 2b. Content subject to Section 232 Copper is not subject to Reciprocal, Brazil, or Russian Oil.  Products with a mixture of copper, steel, and/or aluminum content continue to be subject to all of the applicable Copper/Steel/Aluminum 232 tariffs.	

Office of Trade | Trade Remedies

As of August 29, the minimum duty-free entry is no longer available for goods from any country.

## Product Spotlight

### Powering Innovation with Custom Solar Solutions

Pace Electronics continues to support OEM customers with small-sized solar panel applications (<100W) designed for performance and value-added functionality.

#### Key Features & Capabilities

- ☀️ Shade-Tolerant Wiring Solutions – reliable power in less-than-ideal conditions
- 🔌 Customized Junction Boxes with PCBA's – tailored to your application
- ⚡ Over-Molded Wire Harnesses – efficient, durable connectivity
- 💧 Water-Resistant Designs (IP Rated) – built for long-lasting performance
- 📦 Retail-Ready Packaging – individual panel solutions for your market
- 🌐 Tariff-Friendly Manufacturing – facilities in Vietnam, Indonesia, and Laos

#### Why Choose Pace Electronics?

With over 50 years of global sourcing expertise, we combine engineering support, manufacturing excellence, and supply chain reliability to deliver solutions that power your business forward.

# PAC0837

Pace's PAC0837 series model offers a fully adjustable LED lamp head, along with a contemporary design, quick installation and premium options, in a stylish and economical package.



- Dual-voltage input 120V/277V
- Maintenance-free nickel-cadmium battery
- Energy-saving LED
- Optional Self-Diagnostic version monitors battery /charger failure, battery disconnect and lamp failure
- Optional Remote-Capable version offers up to an additional 2.3 Watts for 90 minutes
- Injection-molded, high-impact, UV-stabilized, UL94 V-0 thermoplastic construction in white or black finish
- Universal J-box pattern knock-out
- Universal mounting plate with quick-connect feature
- Fully adjustable glare-free lamp heads
- Two factory-installed LED lamp heads
- Temp rating: 10°-40° damp
- CEC Registered - See ordering information for exceptions
- UL 924 listed for damp location
- CSA Listed
- \* MOQ - 252 pcs ( PAC0837WRCSD )

Series	PAC0837
Finish	W = White B = Black
Options	RC = Remote-Capable <sup>1</sup> SD = Self-Diagnostic <sup>1, 2</sup> <small>1 Options may be combined 2 Not CEC Registered</small>
Example Cat#	PAC0837WRCSD

## Product Spotlight



# PAC0890

Pace's PAC0890 series model offers an ultra slim-profile, thermoplastic housing with aluminum faceplates. The LED exit sign is designed for long life and energy efficiency. The combo model offers an innovative, fully adjustable, glare-free LED light bar that offers uniform illumination in an economical package.

Series	PAC0890
Operation	Blank = AC Only B= Battery Backup C= Combo
Number of Face	1 = Single Face 2 = Double Face
Color Letter	R = Red G = Green
Finish	W = White B = Black
Example Cat#	PAC0890C2RW

- Universal Voltage 100V-300V
- Maintenance-free nickel-cadmium battery
- Injection-molded, high-impact, UV-stabilized, UL 94 V-0 thermoplastic construction in white or black finish
- Top, back, J-box or end mounting through universal mounting plate and canopy
- Removable universal chevrons for directional indication
- Snap-fit faceplate design for installation without tools available with Red or Green diffuser
- Universal single face and double face (extra faceplate included)
- Temp rating: 10°-40° damp
- DOE and CEC Registered
- UL 924 Listed for damp location
- Master Carton Quantity 6pc
- CSA Listed

# Company Spotlight

— Kerri Burchard : Purchasing Manager



This October will mark one year here at Pace! I started working at Pace on October 28<sup>th</sup>, 2024. I interviewed for my current position because Sue was ready to enjoy her retirement.

A typical day at Pace, starts with me reading the emails received from Pace China. Most of my direction comes from there, whether its gathering quotes or placing orders for parts they need to complete the assemblies for customer orders.

My favorite thing about working for Pace is that I'm able to manage my own routine and working with a team that is willing to help me as needed, which I enjoy.

**Fun fact:** My favorite color is gray. It has been my favorite color most of my life. It really became my favorite color because "once upon a time" no one liked gray. However, now it's one of the more popular colors.



## *Global and Local Sourcing*

# Company Spotlight

—→ John Ricotta : Inside Sales



I have been working at Pace Electronics for 10 months. My typical day starts by checking emails. I follow up with both the vendor and customer on any open quotes, questions or required information. I work closely with Charlie Croster who is the Regional Sales Manager for our accounts. We ensure that our customers are informed and updated on any quotes, sales orders, and general inquiries.

**My favorite quote to live by** is "Don't dwell on the past, don't worry about the future...focus on the present."

Favorite thing about working at Pace is the people I work with. Being the new guy, there is a lot of information needed to be retained. Pace has a great team that is very helpful and supportive. I appreciate everyone who has helped me become part of the Pace team.

My favorite TV show is Seinfeld. I enjoy a good comedy and a show that is easy to relate to.



## Partnership & Performance

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## PACE ANNUAL FIELD DAYS – CARNIVAL FUN!

In August, Pace hosted its annual Field Days for our staff. This year's theme was Carnival, and it was a hit! Employees were invited to bring their families, and the kids had an absolute blast enjoying the festivities. It was a wonderful day of fun, laughter, and connection outside of the workplace.



## CONGRATULATIONS TO COURTNEY & BRYCE!

We're thrilled to announce that Courtney and Bryce welcomed their beautiful baby girl, Evelyn June ("Evie"), on June 9th. She arrived weighing 6 lbs and measuring 19.25 inches long. Mom, dad, and baby are all doing wonderfully, and we couldn't be happier for their growing family! ❤️

